

Procurement Opportunities with MCC

USD Billions to Contract Across Countries and Sectors

The Millennium Challenge Corporation (MCC) is an innovative and independent U.S. foreign aid agency that is helping lead the fight against global poverty. Created by the U.S. Congress in 2004 with strong bipartisan support, MCC is changing the conversation on how best to deliver smart U.S. foreign aid by focusing on good policies, country ownership, and results.

MCC forms partnerships with some of the world's poorest countries, but only those committed to good governance, economic freedom, and investments in their citizens. MCC provides these well-performing countries with large-scale compact grants to fund country-led solutions for reducing poverty through sustainable economic growth. MCC compacts range from \$65 million to nearly \$700 million per country.

MCC is a prime example of smart U.S. Government assistance in action, benefitting both developing countries and U.S. taxpayers through:

- ★ **Competitive selection:** Before a country can become eligible to receive assistance, MCC's Board examines its performance on 17 independent and transparent policy indicators and selects compact-eligible countries based on policy performance.
- ★ **Country-led solutions:** MCC requires selected countries to identify their priorities for achieving sustainable economic growth and poverty reduction. Countries develop their MCC proposals in broad consultation within their society. MCC teams then work in close partnership to help countries refine a program.
- ★ **Country-led implementation:** MCC administers the Millennium Challenge Account (MCA). When a country is awarded an MCC Compact, it sets up its own local MCA-accountable entity to manage and oversee all aspects of implementation, including procurement. Monitoring of funds is rigorous and transparent, and often managed through independent fiscal agents.

MCC Compact Procurements

Compact grants fund a wide range of projects in infrastructure, agriculture, property rights, private sector development, health, energy, education, and governance. Each project requires an array of procurements: For example, a compact-funded road project might require separate procurements for a project manager, design consultant, environmental consultant, monitoring/evaluation consultant, construction contractor, or design-build contractor.

To date, over 630 companies and organizations across more than 58 countries have won more than 850 MCC-funded contracts (only considering contracts valued greater than U.S. \$200,000). As of March 2011, \$4.2 billion remains to be committed to new contracts in compact countries.

MCC compact implementation procurements, unlike procurements at many other U.S. Government agencies, are conducted by each partner country government through a public organization called a Millennium Challenge Account, or MCA. MCA entities are set up specifically to manage implementation of MCC compact projects. Contractors and consultants are selected according to the rules and procedures set out in the *MCC Program Procurement Guidelines*, which are based on the World Bank's procurement guidelines.

Except for exclusion of government-owned enterprises and parties deemed ineligible under U.S. law and policy, MCC-funded compact procurement opportunities are fully open to international competition without geographic preference. MCC closely monitors ongoing procurement processes through sequenced approval requirements set out in Attachment 1 of the *Program Procurement Guidelines*.

Key features of these procurements include the following:

- ★ Subject to MCC oversight and a formal bid challenge system.
- ★ Contractors paid directly from the U.S. Treasury.
- ★ Standard Bidding Documents and contract formats developed by MCC.
- ★ Evaluation and review panels of technically qualified experts.
- ★ Up-front commitment of compact funds (not year-to-year).
- ★ Price reasonableness requirements.
- ★ Typically fixed-price contracts.

The MCC Program Procurement Guidelines, Standard Bidding Documents, and open, planned, and awarded contracts are all available to the public at <http://www.mcc.gov/mcc/procurement/index.shtml>.

Compact countries are required to post opportunities to <http://mcc.dgmarket.com>, <http://www.devbusiness.com>, national newspapers, and their own MCA websites.

**\$8.18 Billion
in Poverty
Reduction
Compacts**

Compact Countries

- Armenia*
- Benin
- Burkina Faso
- Cape Verde[†]
- El Salvador
- Georgia[†]
- Ghana
- Honduras*[†]
- Jordan
- Lesotho
- Madagascar*[†]
- Malawi
- Mali
- Moldova
- Mongolia
- Morocco
- Mozambique
- Namibia
- Nicaragua*[†]
- Philippines
- Senegal
- Tanzania
- Vanuatu[†]

MCC Threshold Program and Corporate Procurements

There are two additional types of MCC-funded contracts: Threshold Program contracts and MCC corporate contracts. MCC Threshold Programs are smaller-scale programs designed to assist countries in qualifying for compact grants; these programs are administered by USAID. MCC corporate contracts are procured through MCC headquarters in Washington, DC, and provide services for project development, independent oversight, and administrative services.

Procurements under both of these programs are governed by the U.S. Federal Acquisition Regulations (FAR), and announcement of these opportunities are posted to FedBizOpps at www.fbo.gov.

To learn more about MCC compact, Threshold Program, and corporate procurements, please visit www.mcc.gov or e-mail info@mcc.gov.

* MCC's Board of Directors put on hold, suspended or terminated a portion of assistance due to government actions inconsistent with MCC's eligibility criteria.

† Compact completed.